

Facilitated Control Self Assessment (CSA) Using Technology

PRESENTATION GOALS

- To provide an understanding of the CSA process including:
 - Role of CSA Workgroups in Assessing Controls
 - CSA Workgroup Objectives
 - Benefits
 - Difficulties Encountered
 - Use of Anonymous Voting Technology
 - Conducting the Workgroup
 - Reporting Results
 - Management Action Plans



Components of Internal Control

- Control Activities
- Managing Risks
- Control Environment
- Communication
- Monitoring

Control Environment

The product of Management's

- Governance (Philosophy Style and Supportive Attitude)
- Competence
- Ethical Values
- Integrity
- Morale

CSA - GOALS & OBJECTIVES

- Provide a forum for participants to:
 - Conduct an assessment of risks and controls.
 - Develop recommendations for improvement.
 - Enhance their ability to achieve objectives.
 - Increase communication with the Unit.
 - Improve the efficiency and effectiveness of operations.
- Educate participants on the Comptroller's Standards for Internal Control in NYS.

CSA – WHEN IS IT USED?

- Whenever practical – Depends on:
 - Size of the unit
 - Management buy-in
 - Staff availability
 - Audit scope



Benefits of CSA

- Honest feedback on control environment communication and monitoring
- Ability to discuss and explore areas of concern to determine reasons and root causes of concern
- Ability to obtain an understanding of the degree of concern among participants
- Development of recommendations by employees in the Unit
- Buy-in/Ownership of Recommendations

Difficulties Encountered

- Getting discussion started
- Getting honest and open feedback
- Identifying potential areas of concern
- Understanding the degree and/or significance of concerns

CSA – ANONYMOUS VOTING

- Series of internal control statements presented to participants concerning:
 - Control Environment
 - Communication
 - Monitoring
- Resolver
 - Anonymous voting software and hardware.
 - Participants anonymously respond to their level of agreement with the statements.



CSA – ANONYMOUS VOTING

- Using the voting results:
 - Discussion is generated by facilitator.
 - Comments documented by scribe.
 - Recommendations developed via group consensus.
- Anonymity is maintained and references to specific people are discouraged.
- Facilitators remain independent and should not impose their opinion on the group.

CSA - SESSION REQUIREMENTS

- 2 facilitators - responsible for:
 - Explaining the CSA process & rules.
 - Directing the flow of conversation.
 - Encouraging everyone to speak.
- 1 scribe responsible for:
 - Recording participants' comments & recommendations.
 - Operating the CSA equipment (Resolver, PowerPoint).
 - Ensuring session remains within time limitations.
- Approximately 3 ¼ hours to complete.
- 6 – 12 Unit employees.



CSA - DEMO



CSA – FACILITATION TIPS

■ DO's

- Ask open ended questions, but stay on topic.
- Use a “parking-lot” to keep off-topic ideas.
- Act only as a guide.
- Ask for agreement when recording the responses.
- Encourage everyone to participate.
- Look for specific answers.

CSA – FACILITATION TIPS

■ **DON'Ts**

- Answer your own questions.
- Put words in someone's mouth.
- Ignore someone who does not participate.
- Allow one person to dominate the session.
- Force your view of controls on the group.
- Be critical or short with a participant.

CSA - REPORTING

- Formal, independent report includes:
 - Voting statistics.
 - Voting responses.
 - Participant comments.
 - Recommendations for improvement.
- Report provided to:
 - Participants to ensure accuracy and completeness.
 - Client management to review results.
- Formal meeting with management held to discuss results.

CSA - REPORTING

- Management develops actions plans to address participants' recommendations.
- Final report, with action plans, provided to Executive management.
- Management should share action plans with CSA participants.



MANAGEMENT ACTION PLANS

- Developed by client management in response to participants' recommendations.
- Provide step-by-step detail concerning how the recommendations will be addressed.
- Reviewed by Internal Audit for relevance.



AUDIT & CSA REPORT - RELATIONSHIP

- The CSA report is an independent document from the formal Audit report.
- Reportable items do not generally result from CSA sessions.
- CSA report is issued only to client's Executive management.

Q & A PERIOD



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